Via Facsimile and U.S. Mail Mail Stop 6010

August 15, 2006

John L. Castello Chairman of the Board, President and Chief Executive Officer XOMA Ltd. 2910 Seventh Street Berkeley, California 94710

Re: XOMA Ltd.

Form 10-K for Fiscal Year Ended December 31, 2005 Filed March 8, 2006

File No. 000-14710

Dear Mr. Castello:

We have completed our review of your Form 10-K and have no further comments at this time.

Sincerely,

Jim Atkinson Accounting Branch Chief